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	14 15	MASTEROBJECTS, INC.,	Case No. 3:21-cv-05428 WHA (DMR)
Hosie Rice LLP 505 Sansome Street, Suite 1575 San Francisco, CA 94111	16 17 18 19 20 21 22 23 24 25	Plaintiff, v. META PLATFORMS, INC., Defendant.	PLAINTIFF MASTEROBJECTS, INC.' REPLY TO DEFENDANT META PLATFORMS, INC.'S OPPOSITION TO MASTEROBJECTS' MOTION FOR SANCTIONS Date: August 25, 2022 Time: 8:00 a.m. Judge: Hon. William Alsup Courtroom: 12, 19th Floor Complaint Filed: February 5, 2020 Trial Date: November 7, 2022
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I. **INTRODUCTION AND SUMMARY.**

Why didn't Meta simply disclose to MasterObjects the Unicorn typeahead ("TA") Verticals, the ? Meta concedes that both contain Meta into the two Unicorn backend Verticals. agrees that it loads these Meta likewise concedes that it uses these Verticals as part of the process to

From filing forward, one critical dispute has been whether TA's server backend had a cache built from or containing prior search session data. Meta adamantly said no; MasterObjects diligently sought to prove otherwise. It is very implausible that Meta and its counsel never even considered whether MasterObjects might "reasonably credit" Meta evidence directly contradicting Meta's "no cache" advocacy position.

Meta defends its discovery record in two contradictory ways. It first says that it did disclose by producing two cryptic documents (out of the 400,000 pages produced), and by producing 11 million source code files, almost all unrelated to TA. Meta has no serious argument that it disclosed fairly. The discovery record reveals that Meta worked hard to screen out relevant documents, and carefully crafted interrogatory responses that omitted the most critical points. Meta's failure to disclose took real effort, and could not be the result of mere inadvertence.

This motion turns on Meta's second justification for its disclosure record. Under Paragraph 25 of this Court's Supplemental CMC Order, Meta and its counsel had a duty to produce evidence contradicting its advocacy position, even if not sought in discovery, if that evidence "might reasonably be credited by the judge or jury or opposing counsel." Under this Paragraph, Meta counsel had a duty to correct testimony or discovery responses that it knew or learned to be incorrect. As the Order itself recognizes, the provisions of Paragraph 25 represent a departure

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from the typical rule that a party has no duty to volunteer adverse information.

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Meta's brief works hard to persuade this Court that Meta and its counsel neither did nor reasonably could "realize" that MasterObjects might value evidence undercutting Meta's litigation position. Stripped of invective, and put plainly, Meta's justification of its "never realized" argument is as follows:

- 1. Meta finds comfort in William Pei and Bobby Zhou denying that the two Verticals at issue (once disclosed) were caches. Of course they did. But neither are judge nor jury, and this litigation testimony has nothing to do with shaping fair discovery.
- 2. Meta also argues that the claimed "cache" must be entirely distinct from a different are content sources not caches. See, e.g., Opp. "content source," and that the (ECF 173) at 10:16-11:6.
- 3. And, Meta argues that its Verticals are not built using see id. at 12:9-18, and that its does not contain this information. See id. at 20:4-5.

On this construct, Meta concludes that it never did nor possibly could credit a MasterObjects contrary view. Meta so argues that its litigation position was so incontrovertibly correct that it never even considered whether MasterObjects might think otherwise. Meta then concludes that it had no duty to produce adverse evidence, and could do so without any disclosure to MasterObjects.

Meta did exactly what Paragraph 25 prohibits. Meta's quarrel about the meaning of the word "cache" is a semantic debate, not a justification for withholding evidence. MasterObjects understood that Meta was finding safe harbor in its cache meaning quibbles, and so asked questions at deposition and propounded discovery carefully not using the word "cache," but instead inquiring into server-side "components," "data sources," and the like.

The truth about what happened is found in Meta's own discovery responses. Meta worked

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hard to screen out adverse evidence. For example, out of 400,000 pages produced, Meta now selects just two cryptic documents that elliptically reference the relevant Verticals; is it Meta's position that these cryptic documents are the only and best documents it has explaining its TA backend function? With the benefit of hindsight, Meta carefully crafted its interrogatory responses to disclose many irrelevant functions, while never mentioning the two Verticals containing nor how it built these Verticals, nor the role these Verticals played in providing Put charitably, it is implausible to believe that such strategic omissions were inadvertent.

There is another critical point here, too. If Meta genuinely believed that the were "content sources," and that a cache cannot be a content source, as it now contends, the withheld evidence was directly relevant to asserted MasterObjects claims that do not contain "cache" limitations. This evidence was also directly relevant to Masterobjects asserted claims that refer to a "content source" that responds to partial client queries. Meta knew of these asserted claims. Meta's own invalidity expert served an 832-page report dissecting these very claims exactly.

Meta may certainly argue the facts. But Meta had a duty to produce the facts. If a party could assume its own litigation position inevitably correct, and so withhold evidence to the contrary, litigation today would be far simpler. But jury trials would not be decided on the facts or the truth.

II. META DID NOT DISCLOSE FAIRLY.

Meta's contention that it disclosed fairly is perfunctory. It first argues that it fairly disclosed by producing two cryptic documents containing the same schematic referencing the backend Verticals. These two documents are not dated, nor identify the author. They were produced in a case where Meta witnesses and Meta discovery responses denied any server-side

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Ex. X, 37:19-38:2 ("

2 documents put MasterObjects on notice of how the TA backend truly worked. Does Meta contend 3 that these two documents are the only and best Meta documents describing its Unicorn Verticals, 4 how they were built, and how they were used in selecting a TA response? After Mr. Pei's second 5 deposition, MasterObjects can prove otherwise. The documents Meta did produce contain 6 7 hyperlinks to technical documents addressing the two Verticals specifically, but do so using Meta's 8 own opaque nomenclature, as set forth in MasterObjects' Opening Brief. See Opening Br. (ECF 9 160) at 19:17-25 & 20:10-13. Meta has not produced these documents in this case. 10 On its source code production, scattering (Meta's word) a few relevant TA code files 11 amongst 11 million irrelevant files is concealment, not disclosure. See, e.g., Hosie Reply Dec., 12

cache or component or store containing prior session data. In context, there is no way these two

engineers obviously had the ability to identify Meta code files relevant to TA. Meta has yet to explain why it produced 11 million code files, all but a few entirely irrelevant.

III. THE DRIVING ISSUE: DID META AND ITS LAWYERS TRULY BELIEVE THAT THE WITHHELD EVIDENCE COULD NOT BE CREDITED BY JUDGE, JURY OR MASTEROBJECTS?

Paragraph 25 of this Court's Supplemental CMC Order provides as follows:

Counsel may not make arguments or statements to the judge or jury or opposing counsel that counsel realize are contradicted by unproduced material, whether requested or not, when such material might reasonably be credited by the judge or jury or opposing counsel. If counsel learns of such adverse material after having made a representation or argument, counsel must very promptly correct the statement or argument and explain the basis for the correction. The same is true for interrogatory answers and FRCP 30(b)(6) testimony. This is an exception to the normal rule that counsel need not volunteer adverse information.

In most cases, it is difficult to prove subjective intent. This is not one such case. Meta's

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Meta begins its "we never realized" advocacy by attacking MasterObjects. See Opp. at 9. Meta says that MasterObjects is "plainly wrong" in saying that Meta had to understand that MasterObjects might "reasonably credit" the withheld evidence. To explain its contrary position, Meta first provides its own narrow definition of the word "cache," while pretending to credit the parties' agreed upon constructions: "In general terms, a cache is a fast type of memory used to temporarily hold data that was previously retrieved from a slower data source so that the data is readily available in the faster memory should another request for the same data be received in the near future [T]he parties stipulated to a construction of 'cache' that tracks its ordinary meaning." Opp. at 9:16-26; see also id. at 10:26 ("are not small, fast storage").

Meta then argues that the MasterObjects claims require a cache entirely separate from a content source, and (counter-factually) concludes that the in the two Verticals are Meta so says that the two Verticals cannot be "caches," but must instead be considered

This justification is a convoluted house of cards, not a legitimate reason to withhold adverse evidence. Meta's argument assumes far too much, and takes as a given Meta's position on many hotly controverted issues. Meta's justification also misdescribes its own TA system: the TA Verticals containing

Meta also ignores that it knew that Unicorn itself, in conjunction with TA, stood accused:

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¹ In some claims, the parties agreed to construe "cache" as "a store that includes previous query results retrieved in response to previous queries," and in others as "a store that includes previous queries and search results retrieved in response to previous queries." See ECF 62 at 3.

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"the accused instrumentalities include ... Typeahead and Unicorn." Hosie Reply Dec., Ex. Y (May

were "content sources" (and that a cache cannot Further, if Meta believed that the be a content source), it had to understand that the withheld evidence was squarely relevant to asserted claims that call for "retrieving" result data from "one or more content sources." See '073 (ECF 73-4) Claim 8 ("The method of claim 1, wherein at least a portion of the search result data is retrieved by the server system from the one or more content sources"), '073 Claim 9 ("The method of claim 8, wherein retrieving search result data comprises: sending one or more content inquiries to one or more respective content sources; and receiving content data in response to the one or more content inquiries"); see also '866 (ECF 73-8) Claims 5 & 6.

Late in its brief, Meta introduces another justification for its failure to disclose the Unicorn Verticals. Meta argues that for subsequent analysis. It then asserts, without explanation, that these

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² Meta suggests that MasterObjects' infringement contentions are deficient. See Opp. at 1:11. Meta seems to forget that, following transfer, the parties agreed that the infringement and invalidity contentions were sufficient under this District's local rules. See CMC Hr'g Tr., Oct. 21, 2021, 9:21-25 ("MR. LUMISH: Doug Lumish for Facebook, Your Honor. Yes, the parties have agreed that each will not challenge the other's [contentions] as being non-compliant with the patent local rules if Your Honor was okay with that. THE COURT: I'm okay with that").

See Opp. at

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Finally, if Meta understood the to be content sources or data sources, why did it not identify them in discovery responses? For example, MasterObjects asked Meta to "[i]dentify all ... features of the data source ... and describe in detail how these ... features operate" Hosie Reply Ex. AA at 8. MasterObjects defined a "data source" as "any source of information (e.g. a database, hard drive, cache, log, and/or repository) ... that is used to provide or predict queries or responses as part of the accused instrumentalities." *Id.* at 5. Meta now contends that it understood the to be content sources, see Opp. at 10:20-21 ("Unicorn are, at most, what MasterObjects' infringement contentions say they are: content sources, not caches"), and equates a content source with a data source. See id. at 10:16-17 ("a separate structure corresponding to one or more content or data sources") & 19:14-17 ("MasterObjects relies again on the false predicate...: As MasterObjects' infringement contentions admit, Unicorn is a data source, ..."). Meta so admits that it believed the were data sources, but did in responding to MasterObjects' discovery exactly on point. See Hosie not identify these Reply Ex. BB.

The positions Meta now takes to try and explain away its prior conduct merely confirm that Meta willfully hid the ball from MasterObjects.

IV. MASTEROBJECTS DID NOT DISTORT WITNESS TESTIMONY.

Meta heatedly contends that MasterObjects distorted witness testimony through strategic omission. Meta cites Finjan, Inc. v. Juniper Network, Inc., No. 17-05659-WHA, 2018 WL 4184338 (N.D. Cal. Aug. 31, 2018), as a case directly on point. This is a well-known opinion written by Judge Beth Labson Freeman. Judge Freeman's opinion shows that Juniper counsel omitted critical language from the asserted claims, thereby manifestly distorting the meaning of

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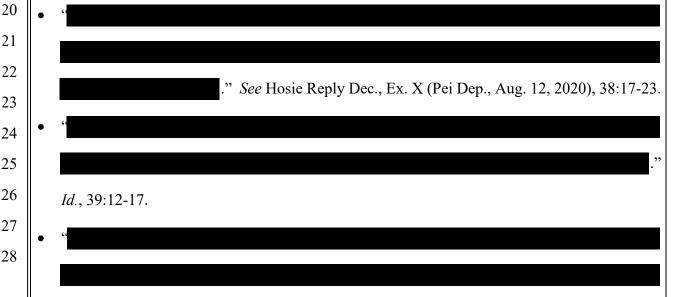
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those claims. Meta says that this is exactly what MasterObjects did here.

Not hardly. MasterObjects indeed omitted portions of the testimony quoted, as indicated by ellipses. But these deletions in no way distorted the witness' testimony. MasterObjects attached the full testimony as exhibits to its Opening Brief. Even a quick review of the testimony reflects that MasterObjects deleted testimony where the witness obfuscated or pretended to be confused by the question, or simply refused to answer the question. MasterObjects also omitted Meta's continual objections. MasterObjects would very much have liked to include all of the quoted testimony. The omitted testimony is **bad** for Meta; it shows that the Meta witnesses were evasive and obstructionist.

As part of its deception through deletion argument, Meta says that MasterObjects misquoted Mr. Pei's August 2020 first 30(b)(6) testimony. Meta first contends that Pei truthfully said that the server-side . See Opp. at 13:9-10. This is not quite right. MasterObjects' counsel understood that Mr. Pei was qualifying his testimony by quibbling about what the term cache meant and covered. MasterObjects' counsel so asked the central question many different times and in many different ways, including questions not using the word cache, but rather "stores," or "structure," and the like:



." *Id.*, 39:19-40:1.

." *Id.*, 40:3-14.

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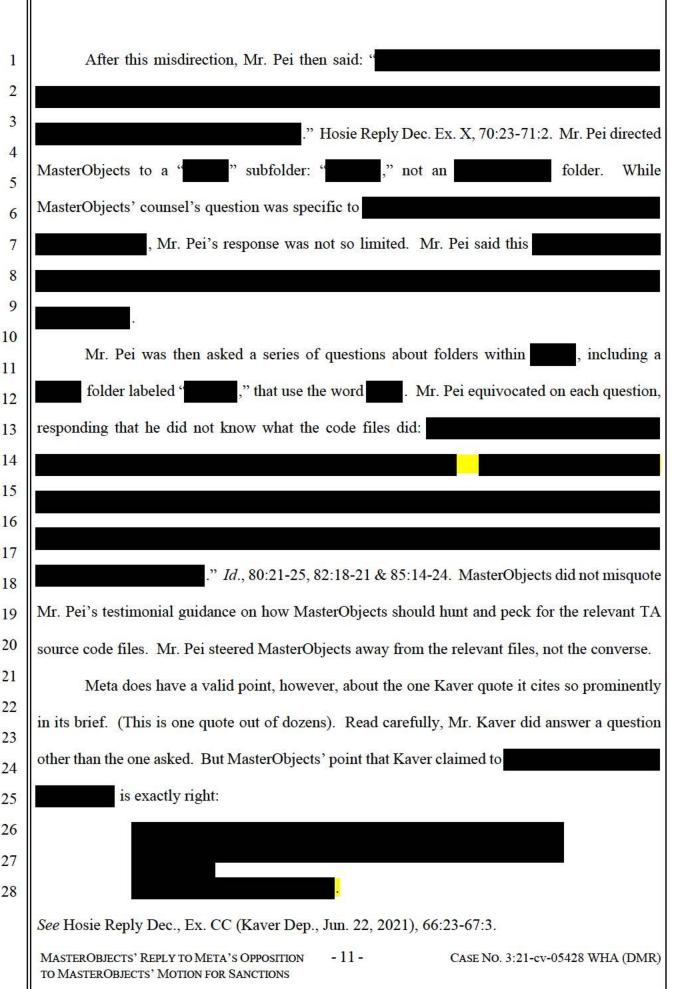
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" Hosie Reply Dec., Ex. X, 40:11-13 & 46:14-47:3 (emphasis added).

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MASTEROBJECTS' REPLY TO META'S OPPOSITION

TO MASTEROBJECTS' MOTION FOR SANCTIONS



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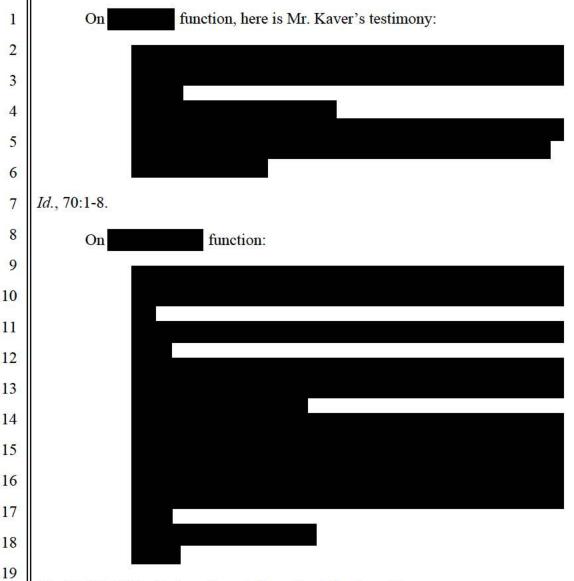
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Id., 71:21-72:22. And, so it went throughout the deposition.

Finally, Meta blames MasterObjects for not grilling Mr. Kaver on the Meta document marked as Exhibit 7, one of the two documents Meta claims discloses fully. See Opp. Br. at 7-8. MasterObjects' counsel marked this exhibit after 142 pages of Mr. Kaver denying any technical knowledge even at the most basic level about TA. Why beat a dead horse further? MasterObjects' counsel did ask questions about the second page of the document, specifically about basic concept in technology development). Mr. Kaver's testimony on this point is almost comical:



Hosie Reply Dec., Ex. CC, 145:4-14. This is the witness that Meta now claims was going to explain the full technical TA backend function to MasterObjects, had MasterObjects' counsel only asked the right questions?

As to Meta's other distortion through deletion charges, they are proven to be without foundation by even a quick look at the attached testimony.

V. META'S MISCELLANEOUS ARGUMENTS.

A. <u>MasterObjects Did Not Prepare its Sanctions Motion in Two Days and File it in Bad Faith.</u>

Meta argues with considerable vitriol that MasterObjects slapped-together its sanctions motion in two days, and filed it in bad faith to preempt Meta motions to preclude that Meta counsel said it would file in Magistrate Judge Ryu's court. Meta's evidence of bad faith is the following: "The Motion is manifest with evidence of haste, including typos in the motion title, cover page, and body."

Hardly. As to typos, there are typos in the cover page (which Mr. Hosie did not prepare). There are three typos in the body of the motion: 17:14, "id," should be "id."; 23:14, "counsels" should be "counsels"; and 25:18, "lies" should be "lies". This is "manifest" evidence of haste and malign motive?

MasterObjects began working on the motion in June. See Hosie Reply Dec., ¶ 2. It could not and did not write this motion in two days.

B. <u>Meta's Brief Devotes Four Pages to Attacking MasterObjects' Lead Counsel Spencer Hosie Personally.</u>

Oddly, Meta's brief dedicates two pages to castigating MasterObjects' lead lawyer Spencer

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Hosie. Meta's criticism is trivial on its face. Meta says that Mr. Hosie sends far too many emails (true; Mr. Hosie sends many emails, as this is one way of moving cases forward). Meta then complains that Mr. Hosie's emails contain far too many typos (also true; Mr. Hosie is a terrible typist, especially on mobile devices). Meta complains that Mr. Hosie presses too hard, sets unreasonable deadlines, and has been too quick to question the veracity of Meta witness testimony (not true: Mr. Hosie's obligation is to be a zealous advocate for his client, and he does his best to honor this obligation). Meta also says that Mr. Hosie was rude in one meet and confer session. Yes, tempers occasionally flared on both sides in this contentious case.

The more interesting question is this: what legitimate motive led Meta to include this personal attack in its Opposition? This attack is utterly irrelevant to the issues at hand, as Meta counsel undeniably understand.

VI. **CONCLUSION.**

Meta closes its brief by saying that MasterObjects' requested remedy is too harsh. If anything, MasterObjects' requested remedy, a curative instruction and an order deeming that Meta practiced the claim limitation, is too modest. On this factual record, most firms would stridently seek terminating sanctions. The remedy MasterObjects requests is narrowly tailored to address, at least in small part, the prejudice MasterObjects incurred given Meta's misconduct. For example, MasterObjects learned the truth just as discovery closed. It had no opportunity to do follow-on discovery; it had no opportunity to seek the relevant documents from Meta. MasterObjects will scramble, as it must, but Meta's failure to disclose manifestly hurt MasterObjects.

Meta concludes by suggesting that the Court award monetary sanctions instead. This is a matter vested in this Court's sound discretion, and the Court undoubtedly will do what the Court considers just.

Dated: August 8, 2022

/s/ Spencer Hosie

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